Tam Jai International Co. Limited
譚仔國際有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2217)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Tam Jai International Co. Limited ("**TJI**", "**Tam Jai International**" or the "**Company**", and together with its subsidiaries, the "**Group**", "**we**", "**us**" or "**our**") announces the unaudited consolidated results of the Group for the six months ended 30 September 2024 ("**1H2025**").

HIGHLIGHTS

- The Group's revenue grew by 1.2% to HK$1,403.5 million, despite challenging environment.
- Profit for 1H2025 amounted to HK$36.1 million.
- Hong Kong remained the core profit contributor to the Group, generating an operating profit[(1)] of HK$223.8 million.
- Overseas franchise is set to realise with 3 store debuts in Australia in the second half of FY2025, along with a newly signed license agreement for Malaysian entry.
- The Group is consolidating Mainland China and Singapore operations to improve overall profitability.
- The Board has resolved to declare an interim dividend of HK1.35 cents per Share (1H2024: HK3.0 cents), representing a dividend payout ratio of 50.0% (1H2024: 49.2%).

Note:

(1) This is a non-HKFRS measure, defined as revenue less restaurant and central kitchen costs and excluding costs attributable to headquarters and office.

FINANCIAL HIGHLIGHTS

	Six months ended 30 September 2024 HK$'000 (Unaudited)	2023 HK$'000 (Unaudited)	Change in percentage %
Consolidated statement of profit or loss			
Revenue	**1,403,524**	1,387,369	1.2%
Profit before taxation	**50,297**	101,622	–50.5%
Profit for the period	**36,068**	81,629	–55.8%
Profit margin	**2.6%**	5.9%	
Per share data ***(HK cents)***			
Basic earnings	**2.7**	6.1	
Diluted earnings	**2.7**	6.1	

	At 30 September 2024 HK$'000 (Unaudited)	At 31 March 2024 HK$'000 (Audited)	Change in percentage %
Consolidated statement of financial position			
Non-current assets	**1,108,385**	1,116,291	–0.7%
Current assets	**1,487,804**	1,506,633	–1.2%
Non-current liabilities	**505,177**	491,145	2.9%
Current liabilities	**645,771**	646,278	–0.1%
Capital and reserves	**1,445,241**	1,485,501	–2.7%
Key financial ratios			
Current ratio(1)	**2.3**	2.3	
Quick ratio(2)	**2.3**	2.3	
Return on assets(3)	**2.8%**	4.5%	
Return on equity(4)	**4.9%**	7.8%	

Notes:

(1) Calculated based on our total current assets as at the end of the relevant periods divided by our total current liabilities as at the end of the corresponding periods.

(2) Calculated based on our total current assets less inventories as at the end of the relevant periods divided by our total current liabilities as at the end of the corresponding periods.

(3) Calculated based on our annualised profit for the relevant periods divided by our average total assets as at the beginning and the end of the corresponding periods and multiplied by 100%.

(4) Calculated based on our annualised profit for the relevant periods divided by our average total equity attributable to our equity shareholders as at the beginning and the end of the corresponding periods and multiplied by 100%.

CHAIRMAN'S STATEMENT

Strength Through Perseverance

Over the long course of its development, the Group has witnessed many peaks and troughs. Entering into the latest financial year ending 31 March 2025 ("**FY2025**"), we are aware that the current times possessed to be among the most challenging faced by the Group since its founding. Nevertheless, we will strive to meet the challenges with resilience, creativity, and agility, turning obstacles into opportunities for sustainable growth. We continue our investment into people, infrastructure and digitalisation, to enhance our strength so as to capture growth when head winds are more favourable and avoid losing out in various transitions in the fast-changing business environment.

During 1H2025, our operations in both Hong Kong and outside Hong Kong markets continued to grapple with economic slowdown, weak consumer sentiment and increasingly intense competitions. In our core market of Hong Kong, the unprecedented prevailing trend of northbound spending and overseas travel has posed challenges for many food and beverage ("**F&B**") operators. Nevertheless, our commitment to advancing our business remains steadfast. With the principle of creating better value for our customers, we are enhancing our products offerings and services to win our customers' hearts. Improving customer journeys through digital transformation and widening collaborations with business partners, such as delivery platforms, has sustained our comparable restaurant revenue under much adverse market conditions. With our restaurant network expanding to 235 outlets as at 30 September 2024, we are pleased to report a modest growth in revenue to HK$1,403.5 million with profit reaching HK$36.1 million in 1H2025.

To share the success of the Company with its shareholders, the Board has resolved to declare an interim dividend of HK1.35 cents per share of the Company (the "**Share(s)**") for 1H2025 (for the six months ended 30 September 2023 ("**1H2024**"): HK3.0 cents), representing a payout ratio of approximately 50.0% (1H2024: 49.2%).

Remarkable progress as we start a new chapter of development

With a vision to bring the "Tam Jai Taste" to the world, we started a new chapter of development by introducing joint venture and franchise models for overseas expansion beginning from last year, both of which leverage our strong "TamJai" brand, unique and trendy tastes, infrastructure, standardised operations and scalability. Our first ever franchise store is planned to open in Melbourne, Australia in late November 2024, followed by two more in the second half of FY2025. This will mark a significant milestone in entering western market and establishing a partnership business model with better local know-how and networks.

Meanwhile, TJI welcomes a new partner from Malaysia, and together with our Philippines partner, we are expanding our brand exposure and foothold in more Southeast Asian countries, one of the fastest growing regions. We are pleased with the pace and progress of the international development.

Moreover, we recognise that this is the right moment to mitigate the various struggles in Singapore and Mainland China. We have commenced a strategic initiative to consolidate their respective networks. The objective is to more effectively tackle their unique market challenges and improve overall profitability.

Multi-brand strategy in Hong Kong

With our power brands, "TamJai Yunnan Mixian" ("**TamJai**") and "TamJai SamGor Mixian" ("**SamGor**"), having penetrated so well in Hong Kong, we have planted another growth engine through our multi-brand strategy in the fast casual segment with which we are familiar.

Following the grant of the franchise rights to the Japanese udon noodle brand "Marugame Seimen" by Toridoll Holdings Corporation ("**Toridoll Japan**", our controlling shareholder) to the Group in 2023, we have progressed further by acquiring its nine existing restaurants in Hong Kong in mid-November 2024, integrating them into the self-operating network under our Group moving forward. For details, please refer to the announcement of the Company dated 8 November 2024. In addition, we secured licensing for "Yakiniku Yamagyu" in April 2024, another fast casual dining brand under Toridoll Japan, our controlling shareholder. We see great improvements of the Marugame Seimen business and the initial success of Yakiniku Yamagyu solidify the new arm in realising faster expansion.

Setting the stage for sustainable growth in the future

As part of our effort to promote digital transformation and better serve our customers, we have been investing in data infrastructure, new point of sale ("**POS**") and customer relationship management ("**CRM**") systems, which, along with upgraded mobile apps, are on track for launch by the end of FY2025.

In advancing our competitiveness, we are not only engaging with top talents but also providing a corporate culture for them to collaborate and excel. We have revamped our performance management system and sharpened our employer branding, refreshed our TamJai DNA and VMV ("**Vision, Mission, and Values**") to foster a more passionate corporate culture. It is our aspiration to instil in all staff a "Will to Win" and "Passion to Serve", as well as promote the "ACE IT" virtues of Accountability, Creativity, Empathy, Integrity and Teamwork.

As for the community at large, we are guided by our three core environmental, social and governance ("**ESG**") pillars of "Nourishing Communities", "Uplifting People", and "Preserving Nature" in our pursuit of sustainability. We are pleased to have made strides in this regard; helping protect the environment and delivering tangible benefits to our employees and the communities that we serve.

ACKNOWLEDGMENT

I would like to express my heartfelt gratitude to our dedicated management team and workforce, whose relentless efforts and dedication have been instrumental in advancing our vision to "Spice up every city and all walks of life with unique flavours". My appreciation also extends to our shareholders, customers, business partners and suppliers for their unwavering support. Together, I am confident in the Group's ability to weather the difficult times and seize opportunities ahead to achieve greater success.

Lau Tat Man
Chairman of the Board and Chief Executive Officer
Tam Jai International Co. Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

During the reporting period, the Group faced a challenging operating environment in its core markets, characterised by economic slowdowns and more intense competition. However, the Group managed to achieve modest growth, with total revenue reaching HK$1,403.5 million in 1H2025 (1H2024: HK$1,387.4 million) and positive profit reported. The Group operated an extensive network of self-operated restaurants, comprising 235 outlets across Hong Kong, Mainland China, Singapore and Japan as at 30 September 2024. This included the opening of a store under the newly licenced Japanese beef rice brand, "Yakiniku Yamagyu", and restaurants under the two flagship brands, "TamJai" and "SamGor".

Consistent with its standing as key revenue driver of the Group, the Hong Kong market accounted for 93.9% of the Group's total revenue for the reporting period. In Hong Kong, the F&B industry remained adversely affected by a sluggish economy and weak consumer sentiment. The difficult operating environment was exacerbated by the ongoing trend of Hong Kong residents opting to spend their leisure time and disposable income in Mainland China. This also led to heightened competition as industry players introduced greater discounts to attract customers. In response to the changing market landscape, the Group rolled out a series of timely measures to attract footfall and stimulate customer spending. At the same time, the Group continued to expand its restaurant network to bolster its position in this principal market. Consequently, the Group managed to maintain a mild growth of revenue and profitability despite the daunting challenges, however, operating profit margin was inevitably affected.

With respect to the Group's business outside of Hong Kong, Japan has continued to achieve notable revenue growth and improvement in operational efficiency. The Group, however, faced stiffer headwinds in Mainland China and Singapore, leading to a decline in revenue and operational performance. For the combined markets outside of Hong Kong, revenue of HK$85.4 million was recorded by the Group in 1H2025 (1H2024: HK$ 91.3 million) with a widened loss.

Faced with inflationary pressure in the global supply chain and increased competition leading to the need for more frequent product discounts, the Group implemented a range of initiatives that helped stabilise food costs. These initiatives included employing enhanced procurement strategies that promote centralised bulk sourcing and direct procurement from sources, as well as reducing food wastage and strengthening standardised workflows. As a result, the cost-to-revenue ratio for food and beverages consumed was relatively stable at 24.0% in 1H2025 (1H2024: 23.6%). Separately, the Group's efforts in adjusting frontline staff deployment strategy and streamlining production workflow partially offset the increase in staff costs driven by expanded restaurant network, wage increases for alignment in the industry and the Group's continued investment in talent to support future growth. Consequently, the staff cost-to-revenue ratio only increased slightly to 32.8% in 1H2025 (1H2024: 31.5%). During 1H2025, the Group recorded a profit for the period of HK$36.1 million (1H2024: HK$81.6 million).

Regional Analysis — Hong Kong

In 1H2025, the Group had to contend with a challenging business environment in Hong Kong, where the general public became more cautious in their consumption, with a mass movement of local residents to Mainland China and overseas for leisure. Nevertheless, through various measures implemented to stimulate patronage and customer spending, as well as by leveraging an expanded restaurant network, the Group was able to promote revenue growth from restaurant operations in Hong Kong, which rose modestly by 1.7% year on year to HK$1,318.1 million. This demonstrated the tremendous agility and resilience of the Group's Hong Kong operations.

During the reporting period, the Group introduced the renowned Japanese beef rice brand, "Yakiniku Yamagyu" to Hong Kong through a licensing agreement with Toridoll Japan, its controlling shareholder. Since its debut in April 2024, the brand has garnered exceptional customer feedback and demonstrated strong business performance. Including this addition, the Group's Hong Kong restaurant network experienced nine net openings in the reporting period, bringing the total number of self-operated restaurants to 198 as at 30 September 2024.

For the core brands, "TamJai" and "SamGor", the Group has successfully expanded into a new trade area by opening its first campus-based outlet at The Hong Kong University of Science and Technology. The new restaurant also premiered the Group's first digital self-ordering kiosk. This initiative in embracing a new trade area has paved the way for further expansion opportunities, allowing the Group to tap into more diverse customer segments and enhance its operational capabilities.

Aside from network expansion, the Group launched more value offerings to address the weak consumer sentiment and growing demand for value-for-money dining options. In particular, the Group's revenue from the delivery platforms increased notably as these platforms aggressively competed for market share through joint promotional offers with restaurant partners, including the Group.

Product innovation has always been a key to success. Following the introduction of afternoon tea sets last year to enrich the product portfolio, the Group has revamped its breakfast menus and expanded their availability to additional restaurants, while also launching more dinner sets in 1H2025, all aiming at stimulating consumption during relatively lower business volume periods and enhancing restaurant-level utilisation. A revamped green menu has been launched as well to appeal to more demographic groups while introducing premium toppings, new snacks and special drinks to surprise and delight customers. Besides, strategic price adjustment was also implemented to protect profit margins.

The Group has intensified CRM campaigns to drive engagement and revenue, introducing a new e-stamp loyalty program and an effective coupon strategy, aiming at boosting customer traffic and average ticket size. Gamification features have been added to attract younger customers, enhancing user interaction and loyalty. These efforts have led to notable increases in membership base, active users, and revenue generated from CRM system in 1H2025. Additionally, starting from the second quarter of FY2025, we had been strategically diverted our channel sales towards the Group's CRM system, serving the strategic purpose of enhancing profit margins.

While the Company has managed to sustain customer volume during the reporting period, its profit margin was impacted by the launch of more promotional offers, as well as higher handling charges incurred due to a greater proportion of business generated via delivery platforms, among other factors. Consequently, the Group's operating profit in Hong Kong declined to HK$223.8 million in 1H2025 (1H2024: HK$262.4 million).

Regional Analysis — Mainland China

Faced with a weak economy and lacklustre consumption sentiment, the F&B industry in Mainland China became highly competitive, with rivals employing increasingly fierce tactics. As consumers grew more price conscious, restaurant operators vied to attract spending through aggressive discounts and promotional offers. In view of the market dynamics, the Group introduced more combination meals with good value for money to stimulate footfall. While achieving this objective, averaging spending per customer and therefore overall revenue declined during the reporting period.

Besides, the Group has also directed efforts towards reinforcing its stature as "Hong Kong's No.1 Mixian", so as to increase brand recognition and attract customers. Key initiatives have included the introduction of beverage products from a renowned Hong Kong-style milk tea brand to all "TamJai" stores in Mainland China, which have been well received by customers. A newly designed menu with more localised food offerings has also been launched to better cater for the culinary preferences of local patrons.

Consistent with the Group's innovative spirit, a new restaurant design incorporating an open kitchen was employed for two existing restaurants in Shenzhen in 1H2025. The transparency of the new restaurant design perfectly conveys the "TamJai" brand's unique sales proposition to local customers. Both customer feedback and business performance have been encouraging since the restaurants re-launched in April and September 2024, respectively.

With a focus on improving operating efficiency, the Group has strategically consolidated its store network in Mainland China. This has involved the closure of four underperforming restaurants and the relocation and renovation of three existing restaurants during the reporting period. The Group remains resolute in its endeavour to consolidate the network scale and enhance profitability of its remaining restaurants in Mainland China, with the ultimate objective of establishing a sustainable and profitable business model.

Regional Analysis — Singapore

The Group's Singapore operation faced significant headwinds during the reporting period. This included an intensified competition, high inflation and a persistent shortage of manpower. While the number of restaurants remained unchanged at 11 as at 30 September 2024, the Group recorded a year-on-year decline in revenue and widened loss as compared with 1H2024. The Group has therefore elected to consolidate its restaurant network and business in Singapore. Although the restaurant closures may incur certain one-off expenses in the second half of FY2025, the move is expected to help enhance the Group's overall profitability in the next financial year.

Regional Analysis — Japan

Outside of Hong Kong, Japan was the best performing market for the Group during the reporting period. In focusing on elevating its operational efficiency, the Group has maintained the size of its restaurant network at three as of 30 September 2024. Both comparable restaurant revenue and the Group's overall revenue in Japan increased by 22.0% year-on-year, which can be attributed to the successful launch of more localised products and the implementation of effective marketing campaigns, garnering television and social media exposure that significantly enhanced the Group's brand awareness and recognition in the country, leading to greater footfall. The increase in revenue, combined with an improvement in operational efficiency in terms of cost control of food and supply chain management, resulted in a substantial reduction in operating loss in 1H2025, putting the business on track to achieving breakeven as we reach an optimal network scale.

SUSTAINABLE DEVELOPMENT

In addition to promoting business development, the Group has made tremendous strides in advancing its sustainability initiatives under the three core pillars of its ESG Strategy Framework, namely "Nourishing Communities", "Uplifting People" and "Preserving Nature". Further to the implementation of a new disposable cutlery policy last year to reduce plastic usage, the Group launched a reusable cutlery set in collaboration during the reporting period. The Group also took a charming approach to educate staff on sustainability, launching a series of creative videos on six sustainability topics that feature frontline staff and management.

With regard to the Group's commitment to "Uplifting People", it has enriched the signature "TJI Education Support Scheme for Employees' Children" through the "GAME Changer" programme, which provides mentorship and volunteering experiences for the awarded employees' children. The scheme awarded approximately HK$1.5 million in scholarships to 41 employees' children to support their local university education in 1H2025.

OUTLOOK AND STRATEGIES

Foster steady development in Hong Kong

As the Hong Kong F&B industry is expected to remain under the cloud of various unfavourable factors in the near term, the Group will continue to adapt to the market dynamics and seek to rise above challenges through innovation, agility and resilience. The Group will prudently expand its store network, targeting to open a total of five stores under the two flagship brands, "TamJai" and "SamGor", in the second half of FY2025. This will thus bring the total number of restaurants of these two brands in Hong Kong to over 200. In view of the subdued spending sentiment of consumers under the economic downturn, the Group will fortify the value-for-money positioning of its two flagship brands by introducing more combination value offerings to attract customers.

The Group will also leverage a multi-brand strategy to capture a greater share of the fast-casual segment, aiming to build growth momentum and promote its long-term sustainable development in the Hong Kong market. Apart from escalating the Group's role in managing "Marugame Seimen" udon noodle brand through acquiring its nine existing restaurants in Hong Kong in mid-November 2024, details of which are set out in the announcement of the Company dated 8 November 2024, the Group also reached a licensing agreement with Toridoll Japan to operate the "Yakiniku Yamagyu" Japanese beef rice restaurant in the city. These two initiatives expanded the Group's business portfolio in Hong Kong, leading to the inclusion of 10 self-operated restaurants under its multi-brand portfolio as of mid-November 2024.

The overwhelmingly positive response to the "Yakiniku Yamagyu" Japanese beef rice brand since its first restaurant opening in April 2024 bodes well for the prospect of its further expansion in Hong Kong. It has also reaffirmed the Group's ability to identify high-potential dining brands for development and demonstrated the Group's ability to apply its extensive operational expertise, developed over the years with "TamJai" and "SamGor," to other brands within the fast-casual segment.

Mindful of the dynamic business environment, the Group will continue to take a prudent approach towards expansion. It plans to open four new restaurants under its Japanese dining brands "Marugame Seimen" and "Yakiniku Yamagyu" in Hong Kong in the second half of FY2025.

Steady Progress in Overseas Franchise Ventures

Outside of Hong Kong, the Group has been gaining significant experience operating in overseas markets. Consequently, the Group has not only developed products that appeal to customers around the world, but has also been able to successfully engage local partners in its ventures, which include entering into new markets such as Australia, the Philippines and Malaysia. By adopting a franchise or other partnership models on top of its existing self-operated business model, the Group has charted a new course of development overseas. In leveraging the local knowledge, expertise and resources of its local partners, the Group can mitigate risks faced by its international operations as a whole, as well as derive benefits that bolster the performance of the Group in general.

In Malaysia, as of August 2024, the Group has established a strategic partnership with Hextar Retail Berhad ("**Hextar**"), a member of the Malaysian conglomerate, Hextar Group of Companies, facilitating its entry into the market. Based on the agreement with Hextar, restaurants will be established and operated under the Group's brands, with the first restaurant expected to open in Kuala Lumpur in 2025. This marks a significant step towards further expansion into the vast and burgeoning Southeast Asian market, having already established beachheads in Singapore and the Philippines.

With regard to the Group's development in Australia, the first franchise restaurant will open in Melbourne in late November 2024 under the new "TamJai Mixian" (譚仔香港米線) brand, bringing together the essence of the Group's two iconic flagship brands "TamJai" and "SamGor". This first restaurant is poised to demonstrate the successful implementation of the joint venture and franchise models for overseas expansion. Two more restaurants under the "TamJai Mixian" brand are scheduled to open in Melbourne by the end of FY2025. Having received overwhelmingly favourable response from sub-franchisees, thus testifying the popularity of the "Tam Jai" brand, the Group is emboldened to expand its restaurant network across more Western countries.

In the Philippines, arrangements for establishing a franchise in the country are progressing well. Set to make its debut in 2025, income from this new franchise is expected to commence thereafter, and will further strengthen the Group's overall profitability in the coming years.

Optimise Overseas Market Operations

In Japan, the Group will seek to build on its current growth momentum by further expanding the restaurant network, enhancing its brand recognition and strengthening its restaurant operations. As for the Mainland China and Singapore operations, the Group will strive to consolidate the two businesses, with the main objectives of improving operational performance and accelerating their paths towards breakeven. Though one-off closure expenses may be incurred in the second half of FY2025, the Group trusts that the combined performance of these three markets will trough in FY2025, paving the way for a faster turnaround going forward.

Digitalisation and Cost Control

The Group is set to launch new POS and CRM systems in the second half of FY2025. The upgraded POS system is designed to streamline the workflow of frontline staff, helping to enhance their productivity. As for the CRM system, which will be upgraded in tandem with the POS revamp, it will facilitate more interactive features, targeted promotions and gamification elements, thereby increasing the stickiness of customers. Furthermore, greater takeaway orders are expected to be diverted to the new CRM system, thus reducing handling charges incurred by third-party delivery platforms and improving the overall profitability of the Group.

On the cost control front, the Group will implement rigorous cost control measures to enhance efficiency and optimise costs while maintaining operational excellence across all markets.

Performance of restaurant operations

Non-HKFRS financial measures — Operating profit and operating profit margin

To supplement the consolidated statement of profit or loss presented in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), we also use operating profit and operating profit margin which are not required by, or presented in accordance with, HKFRSs. These supplemental measures will be helpful for the management, the investors and other interested parties to assess the profitability of our business operation. Although some of these financial measures are reconcilable to the line items in our consolidated statement of profit or loss as reported under HKFRSs, the use of the non-HKFRS financial measures has limitations as an analytical tool, and shareholders of the Company and potential investors should not consider them in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial conditions as reported under HKFRSs. Furthermore, these financial measures may not be comparable to other similarly titled measures used by other companies.

The following table sets forth the reconciliation of the Group's operating profit and operating profit margin, which provide additional information of our restaurant-level performance and are non-HKFRS financial measures:

	Six months ended 30 September		Change in
	2024	2023	percentage
	HK$'000	*HK$'000*	%
Revenue	**1,403,524**	1,387,369	1.2%
— Revenue from restaurant operations	**1,402,792**	1,387,369	1.1%
— Revenue from trading of goods	**732**	—	N/A
Restaurant and central kitchen operating costs:			
— Cost of food and beverages consumed	**(336,621)**	(327,793)	2.7%
— Staff costs[1]	**(367,638)**	(359,720)	2.2%
— Depreciation of right-of-use assets, rental and related expenses[1]	**(266,740)**	(255,479)	4.4%
— Consumables and packaging	**(28,707)**	(32,504)	–11.7%
— Utilities expenses	**(45,954)**	(45,181)	1.7%
— Handling charges	**(75,615)**	(45,207)	67.3%
— Advertising and promotion	**(21,259)**	(22,754)	–6.6%
— Cleaning expenses	**(13,431)**	(12,200)	10.1%
— Repairs and maintenance	**(10,429)**	(10,346)	0.8%
— Other expenses[1]	**(22,323)**	(19,166)	16.5%
Operating profit (a non-HKFRS measure)	**214,807**	257,019	–16.4%
Operating profit margin (a non-HKFRS measure)	**15.3%**	18.5%	

Note:

(1) Represent relevant costs attributable to our restaurants and central kitchens and exclude any costs attributable to headquarters and office. For details, please refer to the paragraphs headed "Financial review — Staff costs", "Financial review — Depreciation of right-of-use assets, rental and related expenses" and "Financial review — Other expenses".

Operating profit/(loss) by geographical location (a non-HKFRS measure)	Six months ended 30 September 2024 HK$'000	2023 HK$'000	Change in percentage %
Hong Kong	**223,821**	262,366	–14.7%
Mainland China and overseas markets	**(9,014)**	(5,347)	68.6%
Total	**214,807**	257,019	–16.4%

Operating profit/(loss) margin by geographical location (a non-HKFRS measure)	2024	2023
Hong Kong	**17.0%**	20.2%
Mainland China and overseas markets	**–10.6%**	–5.9%
Overall	**15.3%**	18.5%

The operating profit margin of our restaurant operations decreased from 18.5% in 1H2024 to 15.3% in 1H2025, mainly due to (i) the increase in discount offerings during 1H2025 as compared to 1H2024; (ii) the increase in our handling charges as a percentage of revenue owing to the increase in the volume of our delivery orders; and offset by (iii) the decrease in our consumables and packaging expenses as a percentage of revenue as a result of our ESG initiative to promote reduced cutlery consumption from our customers during 1H2025.

Restaurant network

As at 30 September 2024, we had a total number of 235 self-operated restaurants located in Hong Kong, Mainland China, Singapore and Japan. In 1H2025, we recorded revenue from restaurant operations amounting to HK$1,402.8 million. The following table sets forth the number of restaurants by geographic location as at the dates indicated:

	Number of SamGor restaurants as at 30 September		Number of TamJai restaurants as at 30 September		Number of restaurants under other brands as at 30 September	
	2024	2023	**2024**	2023	**2024**	2023
Number of restaurants						
Hong Kong	**99**	92	**98**	92	**1**	—
Mainland China	**—**	—	**23**	24	**—**	—
Singapore	**11**	11	**—**	—	**—**	—
Japan	**3**	3	**—**	—	**—**	—
Total	**113**	106	**121**	116	**1**	—

Revenue from restaurant operations

Our revenue from restaurant operations increased by 1.1% from HK$1,387.4 million in 1H2024 to HK$1,402.8 million in 1H2025. The increase was mainly due to the increase in the number of restaurants in operation.

Revenue from restaurant operations by geographic location

The table below sets forth the overall revenue of our restaurants by geographic location for the periods indicated:

	Six months ended 30 September		Change in percentage
	2024	2023	
	HK$'000	*HK$'000*	%
Hong Kong	**1,318,139**	1,296,102	1.7%
Mainland China and overseas markets	**84,653**	91,267	–7.2%
Total	**1,402,792**	1,387,369	1.1%
— Dine-in	**58.6%**	60.3%	
— Takeaway and delivery[1]	**41.4%**	39.7%	

Note:

(1) Comprises takeaway orders made at the restaurants and delivery orders fulfilled through online delivery platforms.

Comparable restaurants revenue by geographic location

The table below sets forth the revenue of our comparable restaurants[1] by geographic location for the periods indicated:

	Six months ended 30 September		Change in percentage
	2024	2023	
	HK$'000	*HK$'000*	%
Hong Kong	**1,220,592**	1,270,837	–4.0%
Mainland China and overseas markets	**64,404**	72,709	–11.4%
Total	**1,284,996**	1,343,546	–4.4%

Note:

(1) Comparable restaurants are defined as restaurants in full operation throughout the periods under comparison, which exclude restaurants that are newly-opened, closed or renovated for a period over 30 days during the periods concerned.

Key performance indicators of our restaurants

The table below sets forth the overall key performance indicators of our restaurants by geographic location for the periods indicated:

	Six months ended 30 September	
	2024	2023
Average spending per customer (HK$)(1)		
Hong Kong	**61.0**	61.6
Mainland China	**36.2**	41.5
Singapore	**81.2**	88.8
Japan	**69.8**	65.7
Overall	**60.5**	61.3
Average daily number of bowls served per seat(2)		
Hong Kong	**6.1**	6.1
Mainland China	**3.1**	3.3
Singapore	**2.9**	3.1
Japan	**6.3**	5.5
Overall	**5.8**	5.8
Average daily revenue per restaurant (HK$)(3)		
Hong Kong	**37,333**	39,137
Mainland China	**7,633**	10,017
Singapore	**16,755**	19,970
Japan	**26,855**	22,020
Overall	**32,998**	35,015

Notes:

(1) Calculated by dividing the revenue generated from our restaurants by the total number of customers served. We use the number of bowls of mixian sold as a proxy for the number of customers served.

(2) Calculated by dividing the total number of bowls served (including dine-in, takeaway and delivery orders) by the total seating capacity calculated with reference to the number of seats in the respective floor area of our restaurants by total operation days divided by the total number of restaurants.

(3) Calculated by dividing the revenue generated from our restaurants by the total restaurant operation days.

FINANCIAL REVIEW

Revenue

Our revenue increased by 1.2% from HK$1,387.4 million in 1H2024 to HK$1,403.5 million in 1H2025. The increase was mainly due to the increase in the number of restaurants in operation in 1H2025.

Cost of food and beverages consumed

Our cost of food and beverages consumed increased by 2.7% from HK$327.8 million in 1H2024 to HK$336.6 million in 1H2025, which was mainly due to the expansion of our restaurant operation. Our cost of food and beverages consumed as a percentage of revenue was 23.6% and 24.0% in 1H2024 and 1H2025, respectively.

Other net income

Our other net income in 1H2025 mainly consisted of interest income from bank deposits. Other net income increased from HK$20.6 million in 1H2024 to HK$23.7 million in 1H2025, primarily due to the increase in interest income from bank deposits during 1H2025.

Staff costs

Our overall staff costs (including restaurant, central kitchen and headquarters and office staff) increased by 5.4% from HK$436.9 million in 1H2024 to HK$460.6 million in 1H2025, which was primarily due to the increase in restaurant, headquarters and office headcount as a result of the expansion of restaurant network. Our staff costs as a percentage of revenue slightly increased from 31.5% in 1H2024 to 32.8% in 1H2025.

The following table sets forth a breakdown of our staff costs by function for the periods indicated:

	Six months ended 30 September			
	2024		2023	
	HK$'000	*%*	*HK$'000*	*%*
Restaurant staff	**353,757**	**76.8%**	345,333	79.0%
Central kitchen staff	**13,881**	**3.0%**	14,387	3.3%
Headquarters and office staff	**93,001**	**20.2%**	77,184	17.7%
Total	**460,639**	**100%**	436,904	100%

Depreciation of property, plant and equipment

Our depreciation of property, plant and equipment decreased by 12.6% from HK$60.2 million in 1H2024 to HK$52.6 million in 1H2025, mainly attributable to a higher number of fully depreciated restaurants in 1H2025 as compared to 1H2024.

Depreciation of right-of-use assets, rental and related expenses

Our depreciation of right-of-use assets, rental and related expenses increased by 4.1% from HK$263.6 million in 1H2024 to HK$274.4 million in 1H2025, mainly attributable to the increase in the number of our restaurants.

The following table sets forth a breakdown of our depreciation of right-of-use assets, rental and related expenses for the periods indicated:

	Six months ended 30 September			
	2024		2023	
	HK$'000	*%*	*HK$'000*	*%*
Depreciation of right-of-use assets, rental and related expenses attributable to:				
— Restaurants	**259,757**	**94.7%**	248,412	94.3%
— Central kitchen	**6,983**	**2.5%**	7,067	2.7%
— Headquarters and office	**7,618**	**2.8%**	8,073	3.0%
Total	**274,358**	**100%**	263,552	100%

Consumables and packaging

Our consumables and packaging decreased by 11.7% from HK$32.5 million in 1H2024 to HK$28.7 million in 1H2025, mainly attributable to the lower consumption of takeaway or delivery cutlery from our customers during 1H2025. Our consumables and packaging as a percentage of revenue was 2.3% and 2.0% in 1H2024 and 1H2025, respectively.

Utilities expenses

Our utilities expenses increased by 1.7% from HK$45.2 million in 1H2024 to HK$46.0 million in 1H2025. Our utilities expenses as a percentage of revenue remained stable at 3.3%.

Advertising and promotion expenses

Our advertising and promotion expenses decreased by 6.6% from HK$22.8 million in 1H2024 to HK$21.3 million in 1H2025. Our advertising and promotion expenses as a percentage of revenue were 1.6% and 1.5% in 1H2024 and 1H2025, respectively.

Other expenses

Other expenses mainly included legal and professional fees, computer expenses, transportation costs and impairment provisions. Our other expenses increased by 18.8% from HK$38.6 million in 1H2024 to HK$45.9 million in 1H2025, mainly attributable to the increase in the number of our restaurants and the increase in the impairment provisions for the underperforming restaurants during 1H2025.

The following table sets forth a breakdown of our other expenses by function for the periods indicated:

	Six months ended 30 September			
	2024		2023	
	HK$'000	***%***	*HK$'000*	*%*
Other expenses attributable to:				
— Restaurants	**11,479**	**25.0%**	9,459	24.5%
— Central kitchen	**10,844**	**23.6%**	9,707	25.1%
— Headquarters and office	**23,580**	**51.4%**	19,467	50.4%
Total	**45,903**	**100%**	38,633	100%

Finance costs

Our finance costs mainly represented the interest on lease liabilities recognised in accordance with HKFRS 16 associated with our leases. The increase by 2.2% from HK$11.0 million in 1H2024 to HK$11.3 million in 1H2025 was due to the expansion of our restaurant network during 1H2025.

Share of loss of a joint venture

Our share of loss of a joint venture represented the share of results of a joint venture, Tam Jai Aust JV Pty Limited, established with a subsidiary of ST Group Food Industries Holdings Limited in October 2023. During 1H2025, the share of loss mainly represented the pre-opening cost incurred by the joint venture.

Income tax expense

Our income tax decreased from HK$20.0 million in 1H2024 to HK$14.2 million in 1H2025, which was attributable to the decrease in the assessable profits in 1H2025.

Right-of-use assets

Our right-of-use assets increased from HK$778.9 million as at 31 March 2024 to HK$788.7 million as at 30 September 2024 as we entered into more tenancy agreements for our restaurants.

Inventories

Our inventories mainly consist of our food ingredients and beverages consumed in our restaurant operations, including meat, meat balls, offal, vegetables and mixian. Our inventories decreased from HK$24.9 million as at 31 March 2024 to HK$23.4 million as at 30 September 2024. Our inventory turnover days decreased from 13.6 days for the year ended 31 March 2024 to 13.1 days in 1H2025.

Trade and other receivables and deposits and prepayments

Our trade and other receivables and deposits and prepayments included (i) trading balances with our customers with smart card settlement; (ii) trading balances receivable from the delivery platforms; (iii) cash-in-transit pending to be deposited into our bank accounts held by a secured logistics service provider; (iv) rental deposits to our landlords and utilities deposits; and (v) prepayments for purchases of fixed assets and prepaid insurance. Our trade and other receivables and deposits and prepayments decreased from HK$239.6 million as at 31 March 2024 to HK$230.3 million as at 30 September 2024, due to a decrease in receivables from delivery platforms caused by timing differences in the settlement of trading balances.

Trade and other payables and accruals and deposits received

Our trade and other payables and accruals and deposits received mainly included (i) trade payables for the purchase of food ingredients and beverages for restaurant operations; (ii) accrued operating costs of our restaurants, offices and central kitchens; (iii) contract liabilities arising from the loyalty programme and coupons distributed; and (iv) deposits received from the logistics service provider. Our trade and other payables and accruals and deposits received decreased from HK$231.8 million as at 31 March 2024 to HK$216.9 million as at 30 September 2024.

Lease liabilities

Our lease liabilities increased from HK$803.5 million as at 31 March 2024 to HK$811.8 million as at 30 September 2024, which was mainly due to new tenancy agreements for restaurants entered into by us during 1H2025.

Liquidity and financial resources

We principally fund our working capital from internally generated cash flows. As at 30 September 2024, our cash and cash equivalents (representing the cash and bank balances) were HK$1,345.8 million (31 March 2024: HK$1,351.5 million). The majority of the bank deposits and cash were denominated in Hong Kong dollars, Renminbi, Singapore dollars and Japanese Yen.

As at 30 September 2024, we did not have any interest-bearing bank and other borrowings (31 March 2024: Nil). Accordingly, the gearing ratio is not provided.

Pledge of assets

As at 30 September 2024, we had no pledge of assets (31 March 2024: Nil).

Foreign currency exposures

The Group's revenue and costs are mostly denominated in Hong Kong dollars, Renminbi, Singapore dollars and Japanese Yen. The fluctuations of Renminbi, Singapore dollars and Japanese Yen against Hong Kong dollars may affect the Group's results. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. The Group will continue to closely monitor the foreign currency exposure and take appropriate measures to minimise the risk when necessary.

Capital commitments

As at 30 September 2024, we had capital commitments of HK$1.4 million (31 March 2024: HK$1.2 million).

Contingent liabilities

As at 30 September 2024, we did not have any significant contingent liabilities.

Significant investments held by the Group

There were no significant investments held by us as at 30 September 2024.

Material acquisitions and disposals by the Group

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures in 1H2025.

Future plans for material investments

We will continue to focus on our business strategies as set out in the prospectus of the Company dated 23 September 2021 (the "**Prospectus**"). As at the date of this announcement, save as disclosed in the Prospectus and the 1 Nov Announcement (as defined below), we have no plan for any other material investments or capital assets.

Employees, remuneration policy and pension scheme

As at 30 September 2024, we had 3,522 employees. The remuneration package of our employees (including full-time and part-time employees) generally includes basic salary, discretionary bonus and incentives, and equity settled share-based payments (eligible employees only). The basic salary is generally based on the particular employee's work experience, academic and professional qualifications (if relevant) and the prevailing market salary levels. The discretionary bonus and incentives are generally based on, among other things, the financial performance of the restaurant(s) which the particular employee is responsible for (or the financial performance at group-level if he/she assumes a group-level position), the mystery shopper scores of the restaurant(s) which he/she is responsible for and his/her work performance (e.g. punctuality). The equity settled share-based payments are to motivate and retain eligible employees to optimise their performance efficiency for the benefit of the long term growth of the Group.

We also provided frontline restaurant staff with training in various aspects, such as operational procedures, customer services, cleaning and sanitation, food safety and work safety. Our operations management teams will monitor and supervise our new staff in terms of quality of food and services, hygiene and manpower planning. We also provided our managerial staff with various types of on-the-job training in relation to, among other things, cost control, complaints handling, human resources, environmental, social and governance and legal issues.

Net proceeds from the listing and over-allotment option

The Shares were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 7 October 2021 following the completion of issue of 335,008,000 new Shares at an offer price of HK$3.33 per Share. The net proceeds from the Global Offering (as defined in the Prospectus), after deducting the underwriting fees, commissions and other related expenses payable by the Company, amounted to approximately HK$1,051.0 million (the "**Net Proceeds**").

On 1 November 2023, the Board resolved to change the use of Net Proceeds such that the original proposed use of Net Proceeds for "Expansion of the Restaurant Network" comprising self-operated restaurants only has been expanded to include the opening of restaurants in selected overseas markets through joint venture and/or franchising arrangements. For details, please refer to the announcement of the Company dated 1 November 2023 (the "**1 Nov Announcement**").

The Company intends to use the Net Proceeds for the purposes as set out in the Prospectus and the 1 Nov Announcement. As at 30 September 2024, an analysis of the utilisation of the Net Proceeds is as follows:

Proposed use of Net Proceeds	**Approximate % of Net Proceeds**	**Net Proceeds** *(HK$ million)*	**Unutilised Net Proceeds as at 1 April 2024** *(HK$ million)*	**Utilised Net Proceeds during the six months ended 30 September 2024** *(HK$ million)*	**Unutilised Net Proceeds as at 30 September 2024** *(HK$ million)*	**Expected timeline of full utilisation**
Expansion of the restaurant network[(Note)]	57.4%	603.3	338.6	29.8	308.8	Before 31 March 2026
Expanding the central kitchen in Hong Kong and establishing new central kitchens in Mainland China, Singapore and Australia	9.4%	98.8	93.1	—	93.1	Before 31 March 2026
Refurbishment of the restaurants and enhancing the operating equipment	10.5%	110.4	56.6	6.5	50.1	Before 31 March 2026
Implementing a customer relationship management system, a voice ordering system, an enterprise resources planning system and upgrading the information and technology infrastructure	5.1%	53.6	31.3	3.0	28.3	Before 31 March 2026
International brand building and new market entry promotion	7.8%	82.0	2.4	—	2.4	Before 31 March 2026
General corporate purposes and working capital	9.8%	102.9	—	—	—	N/A
Total	100%	1,051.0	522.0	39.3	482.7	

Note: The use of Net Proceeds under this category has been changed from expansion of the restaurant network comprising self-operated restaurants only to include the opening of restaurants in selected overseas markets through joint venture and/or franchising arrangements. For details, please refer to the 1 Nov Announcement.

The expected timeline for the usage of the unutilised Net Proceeds is made based on the Directors' best estimation, which is subject to the current and future development of the Group and market conditions.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2024
(Expressed in Hong Kong dollars)

	Notes	Six months ended 30 September 2024 $'000	2023 $'000
Revenue	*3*	**1,403,524**	1,387,369
Cost of food and beverages consumed		**(336,621)**	(327,793)
Other net income	*4*	**23,694**	20,551
Staff costs		**(460,639)**	(436,904)
Depreciation of property, plant and equipment		**(52,625)**	(60,217)
Depreciation of right-of-use assets, rental and related expenses		**(274,358)**	(263,552)
Consumables and packaging		**(28,707)**	(32,504)
Utilities expenses		**(45,954)**	(45,181)
Handling charges		**(75,615)**	(45,207)
Advertising and promotion		**(21,259)**	(22,754)
Cleaning expenses		**(13,431)**	(12,200)
Repairs and maintenance		**(10,429)**	(10,346)
Other expenses		**(45,903)**	(38,633)
Profit from operation		**61,677**	112,629
Finance costs	*5(a)*	**(11,253)**	(11,007)
Share of loss of a joint venture		**(127)**	—
Profit before taxation	*5*	**50,297**	101,622
Income tax expense	*6*	**(14,229)**	(19,993)
Profit for the period		**36,068**	81,629
Earnings per share (cents)	*8*		
— Basic		**2.7**	6.1
— Diluted		**2.7**	6.1

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2024

(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2024	2023
	$'000	*$'000*
Profit for the period	**36,068**	81,629
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
— Exchange differences on translation of financial statements of subsidiaries outside Hong Kong (with nil tax effect)	**1,128**	(3,205)
Total comprehensive income attributable to equity shareholders of the Company for the period	**37,196**	78,424

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2024

(Expressed in Hong Kong dollars)

	Notes	**At 30 September 2024**	At 31 March 2024
		$'000	*$'000*
Non-current assets			
Property, plant and equipment		**165,209**	188,167
Right-of-use assets		**788,717**	778,855
Deposits and prepayments		**117,484**	114,823
Interest in a joint venture		**5,047**	4,988
Deferred tax assets		**31,928**	29,458
		1,108,385	1,116,291
Current assets			
Inventories		**23,393**	24,862
Trade and other receivables	*9*	**30,312**	46,341
Deposits and prepayments		**82,483**	78,399
Current tax recoverable		**5,788**	5,508
Cash and bank balances		**1,345,828**	1,351,523
		1,487,804	1,506,633
Current liabilities			
Trade and other payables and accruals	*10*	**216,683**	231,644
Deposits received		**200**	200
Lease liabilities		**373,169**	377,829
Current tax payable		**24,157**	6,847
Provisions		**31,562**	29,758
		645,771	646,278
Net current assets		**842,033**	860,355
Total assets less current liabilities		**1,950,418**	1,976,646

	Note	**At 30 September 2024** **$'000**	At 31 March 2024 $'000
Non-current liabilities			
Lease liabilities		**438,661**	425,622
Provisions		**48,370**	47,782
Long service payment obligation		**15,210**	14,591
Deferred tax liabilities		**2,936**	3,150
		505,177	491,145
Net Assets		**1,445,241**	1,485,501
Capital and reserves			
Share capital	*11*	**1,116,714**	1,116,714
Reserves		**328,527**	368,787
Total equity attributable to equity shareholders of the Company		**1,445,241**	1,485,501

NOTES TO THE UNAUDITED INTERIM FINANCIAL RESULTS

1 BASIS OF PREPARATION

These interim financial results have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 13 November 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023/24 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024/25 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023/24 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. In addition, the interim financial results have been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31 March 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES

(a) New and amended HKFRSs

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

— Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")*

— Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")*

— Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*

— Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 1, Presentation of financial statements ("2020 and 2022 amendments", or collectively the "HKAS 1 amendments")

The HKAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Amendments to HKFRS 16, Leases: Lease liability in a sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group has not entered into any supplier finance arrangements.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the operation of restaurants. The restaurants trade in the name of "TamJai", "SamGor" and licenced Japanese beef rice brand, "Yakiniku Yamagyu".

The Group manages its business as a single unit and, accordingly, the operation of restaurants is the only reporting segment and virtually all of the revenue and operating profits are derived from this business segment. The financial statements are already presented in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. Accordingly, no separate business segment information is disclosed.

Revenue represents the sales value of food, beverages and restaurant's supplies and excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(b) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and a joint venture and (ii) the Group's right-of-use assets and property, plant and equipment ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of right-of-use assets and property, plant and equipment.

	Revenue from external customers and a joint venture		**Specified non-current assets**	
	Six months ended 30 September		**At 30 September**	At 31 March
	2024	2023	**2024**	2024
	$'000	*$'000*	***$'000***	*$'000*
Hong Kong (place of domicile)	**1,318,139**	1,296,102	**832,495**	816,440
Mainland China and overseas markets	**85,385**	91,267	**121,431**	150,582
	1,403,524	1,387,369	**953,926**	967,022

4 OTHER NET INCOME

	Six months ended 30 September	
	2024	2023
	$'000	*$'000*
Bank interest income	**22,145**	19,403
Government subsidies	**162**	181
Management fee income	**1,641**	1,396
Gain on termination/modification of leases	**131**	698
Loss on disposal of property, plant and equipment, net	**(2,809)**	(1,588)
Exchange loss, net	**(202)**	(1,791)
Others	**2,626**	2,252
	23,694	20,551

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 September	
	2024	2023
	$'000	*$'000*
(a) Finance costs		
Interest on lease liabilities	**11,253**	11,007
(b) Other items		
Cost of inventories	**336,621**	327,793
Depreciation		
— property, plant and equipment	**52,625**	60,217
— right-of-use assets	**222,989**	215,562
Variable lease payments, not included in the measurement of lease liabilities	**3,638**	4,129
Impairment loss on property, plant and equipment and right-of-use assets	**7,184**	3,325

6 INCOME TAX EXPENSE

	Six months ended 30 September 2024	2023
	$'000	*$'000*
Current tax — Hong Kong Profits Tax		
Provision for the period	**16,886**	24,488
Deferred tax		
Origination and reversal of temporary differences	**(2,657)**	(4,495)
	14,229	19,993

The provision for Hong Kong Profits Tax for the six months ended 30 September 2024 is calculated at 16.5% (six months ended 30 September 2023: 16.5%) of the estimated assessable profits, except for one qualifying entity (the "**Qualifying Entity**") of the Group that is under the two-tiered Profits Tax rate regime.

For the Qualifying Entity, the first $2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this entity was calculated at the same basis in 2023. The profits of group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a flat rate of 16.5%.

Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions. No provision for tax outside Hong Kong has been made as the Group did not have any assessable profits generated by these subsidiaries for the six months ended 30 September 2024 and 2023.

7 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the interim period:

	Six months ended 30 September 2024	2023
	$'000	*$'000*
Interim dividend declared and payable after the interim period of 1.35 cents per share (2023: 3.0 cents per share)	**18,104**	40,167

The interim dividend has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period:

	Six months ended 30 September **2024**	2023
	$'000	*$'000*
Final dividend in respect of the previous financial year of 5.9 cents per share (2023: 10.5 cents per share)	**79,121**	140,584

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share based on the profit attributable to ordinary equity shareholders of the Company of $36,068,000 (six months ended 30 September 2023: $81,629,000) and the weighted average of 1,341,041,000 ordinary shares (2023: 1,338,819,000 ordinary shares) in issue during the interim period, is as follows:

Weighted average number of ordinary shares

	Six months ended 30 September **2024**	2023
	'000	*'000*
Issued ordinary shares at the beginning of the period	**1,341,041**	1,338,638
Effect of share options exercised	**—**	181
Weighted average number of ordinary shares at the end of the period	**1,341,041**	1,338,819

(b) Diluted earnings per share

The calculation of diluted earnings per share based on the profit attributable to ordinary equity shareholders of the Company of $36,068,000 (six months ended 30 September 2023: $81,629,000) and the weighted average number of ordinary shares of 1,345,447,000 shares (2023: 1,341,253,000 shares) is as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended 30 September	
	2024	2023
	'000	*'000*
Weighted average number of ordinary shares at the end of the period used in calculating basic earnings per share	**1,341,041**	1,338,819
Effect of deemed issue of ordinary shares under the Company's share award scheme	**4,321**	1,772
Effect of outstanding share options	**85**	662
Weighted average number of ordinary shares (diluted) at the end of the period	**1,345,447**	1,341,253

9 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 September 2024	At 31 March 2024
	$'000	*$'000*
Less than 30 days	**21,315**	34,621
31 to 60 days	**256**	386
61 to 90 days	**—**	4
Trade receivables, net of loss allowance	**21,571**	35,011
Other receivables	**8,741**	11,330
Trade and other receivables	**30,312**	46,341

The Group's trading terms with its customers are mainly on cash and smart card settlement, except for well-established corporate debtors for which the credit term is generally 30 days.

10 TRADE AND OTHER PAYABLES AND ACCRUALS

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 September 2024 *$'000*	At 31 March 2024 *$'000*
Less than 30 days	**53,608**	56,545
31 to 60 days	**1,432**	184
61 to 90 days	**30**	41
91 to 120 days	**17**	110
Over 120 days	**110**	132
Trade payables	**55,197**	57,012
Other payables and accruals	**157,432**	169,975
Contract liabilities	**4,054**	4,657
Trade and other payables and accruals	**216,683**	231,644

All of the trade and other payables and accruals are expected to be settled or recognised as income within one year or are repayable on demand.

11 SHARE CAPITAL

	Number of shares *'000*	Amount *$'000*
Ordinary shares, issued and fully paid:		
At 1 April 2023	1,340,740	1,116,189
Shares issued under share option schemes *(Note)*	618	525
Shares issued under share award schemes *(Note)*	5,340	—
At 31 March 2024 and 1 April 2024, and 30 September 2024	1,346,698	1,116,714

Notes:

During the six months ended 30 September 2024, no share issued under share option schemes and share award schemes.

During the year ended 31 March 2024, share options were exercised to subscribe for a total of 618,000 ordinary shares of the Company at a consideration of $525,000 which were credited to share capital under the Company's share option schemes.

12 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 8 November 2024, TJI Japanese Concepts Company Limited (the "**Purchaser**") (a wholly-owned subsidiary of the Company) and Toridoll Holding Limited ("**Toridoll HK**") (a controlling shareholder of the Company) entered into a sale and purchase agreement, pursuant to which Toridoll HK has agreed to sell, and the Purchaser has agreed to purchase, the entire equity interest in Toridoll and Heyi Holding Limited (and together with its subsidiaries, the "**Target Group**"). The equity consideration for the acquisition is HK$4.1 million. The Target Group is principally engaged in the operation of the Japanese udon noodles chain restaurants under the business name "Marugame Seimen" in Hong Kong. Please refer to the Company's announcement dated 8 November 2024 for further details.

Save as disclosed, subsequent to 30 September 2024 and up to the date of this announcement, the Group had no significant events occurred which have a material impact on the performance and the value of the Group.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. During 1H2025, the Company has applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), save for the deviations for reasons set out below. The Company will continue to review and monitor its corporate governance practices with reference to the applicable requirements under the CG Code.

According to code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Lau Tat Man ("**Mr. Lau**") is currently the chairman of the Board and chief executive officer of the Company. In view of the fact that Mr. Lau has been assuming the responsibilities in the overall management and supervision of the daily operations of the Group since October 2018, the Board believes that it is in the best interest of the Group to have Mr. Lau taking up both roles for effective management and operations. Therefore, the Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, the Directors are of the view that the Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner.

Compliance with the Model Code for Directors' securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the standard for securities transactions by the Directors during 1H2025. The Company has made specific enquiries with each Director, and all Directors have confirmed that they have complied with the Model Code during 1H2025.

Purchase, sale or redemption of the Company's listed securities

During 1H2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Events after the reporting period

On 8 November 2024, TJI Japanese Concepts Company Limited (the "**Purchaser**") (a wholly-owned subsidiary of the Company) and Toridoll HK (a controlling shareholder of the Company) entered into a sale and purchase agreement, pursuant to which Toridoll HK has agreed to sell, and the Purchaser has agreed to purchase, the entire equity interest in Toridoll and Heyi Holding Limited (and together with its subsidiaries, the "**Target Group**"). The equity consideration for the acquisition is HK$4.1 million. The Target Group is principally engaged in the operation of the Japanese udon noodles chain restaurants under the business name "Marugame Seimen" in Hong Kong. Please refer to the Company's announcement dated 8 November 2024 for further details.

Save as disclosed, subsequent to 30 September 2024 and up to the date of this announcement, the Group had no significant events occurred which have a material impact on the performance and the value of the Group.

Audit committee

The audit committee of the Company (the "**Audit Committee**") currently comprises three independent non-executive Directors, namely Mr. Lee Kwok Ming, Mr. Loo Kwok Wing and Mr. Yeung Yiu Keung. Mr. Lee Kwok Ming is the chairman of the Audit Committee, who possesses appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules. The Audit Committee has reviewed the unaudited interim results of the Company for 1H2025, the accounting principles and practices adopted by the Company as well as internal control and financial reporting matters.

Interim dividend

The Board has resolved to declare an interim dividend of HK1.35 cents per Share for 1H2025 (1H2024: HK3.0 cents) (the "**Interim Dividend**"), representing a total payout of approximately HK$18.1 million (1H2024: HK$40.2 million), payable on Monday, 16 December 2024, to shareholders whose names appear on register of members of the Company at the close of business on Tuesday, 3 December 2024, being the record date for determining shareholders' entitlement to the Interim Dividend.

Closure of register of members

The register of members of the Company will be closed from Friday, 29 November 2024 to Tuesday, 3 December 2024 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for the Interim Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Thursday, 28 November 2024.

Publication of interim results announcement and interim report

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tamjai-intl.com) respectively. The interim report of the Company for 1H2025 will be despatched to shareholders of the Company and available on the same websites in due course.

By order of the Board
Tam Jai International Co. Limited
Lau Tat Man
Chairman of the Board and Chief Executive Officer

Hong Kong, 13 November 2024

As at the date of this announcement, the executive Directors are Mr. Lau Tat Man, Ms. Chan Ping, Rita and Mr. Yeung Siu Cheong, the non-executive Directors are Mr. Sugiyama Takashi, Mr. Tomitani Takeshi and Mr. Someya Norifumi, and the independent non-executive Directors are Mr. Lee Kwok Ming, Mr. Loo Kwok Wing and Mr. Yeung Yiu Keung.